Montana Board of Oil and Gas Conservation Environmental Assessment

Operator: VECTA Oil and Gas
Well Name/Number: Heberle 42-33
Location: SE NE Section 33 T7N R32E

County: Yellowstone, MT; Field (or Wildcat) Wildcat - Docket 415-2013

Air Quality

(possible concerns)

Long drilling time: No, 12 to 15 days drilling time.

Unusually deep drilling (high horsepower rig): No, a double or small triple drilling rig to

<u>drill to a 6150' TD vertical Amsden Formation well test.</u>
Possible H2S gas production: <u>Slight H2S possible.</u>

In/near Class I air quality area: No class I air quality area, in the area of review.

Air quality permit for flaring/venting (if productive) Yes, DEQ air quality permit required under 75-2-211.

Mitigation

X Air quality permit	(AQB review
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- __ Gas plants/pipelines available for sour gas
- Special equipment/procedures requirements
- Other:

Comments: No special concerns – using a double or small triple drilling rig to drill a vertical Amsden Formation well test. No gas gathering system exists in this area. Associated sweet gas and H2S gas in limited volumes can be flared under Board Rule 36.22.1220, if no gathering systems are in close proximity to this well.

Water Quality

(possible concerns)

Salt/oil based mud: No, surface hole will be drilled with freshwater. Main hole will be drilled with freshwater and freshwater drilling mud system.

High water table: No high water table in the area of review.

Surface drainage leads to live water: No, closest drainage is an unnamed ephemeral tributary drainage to Butte Creek,

Water well contamination: No, closest water wells are about a mile to the north northeast and about a mile to the west from this location. This well will drill and set 8 5/8" surface casing to 600' and cement to surface. Depth of these water wells range from 80' to 400'. Well will be drill with freshwater based drilling fluids from base of surface casing to TD. If productive 5 ½" production casing will be run and cemented.

Porous/permeable soils: No, silty "Gumbo" clay soils.
Class I stream drainage: No Class I stream drainages.

Mitigation:

- X Lined reserve pit
- X Adequate surface casing
- ___ Berms/dykes, re-routed drainage
 - Closed mud system
- X Off-site disposal of solids/<u>liquids</u> (in approved facility)

X Other: Drill cuttings will be buried in the lined reserve/cuttings pit and mixed off with dry subsoil. Cuttings pit will be closed when dry. A minimum of four feet (4') dry subsoil and topsoil will cover the reserve/cuttings pit. Comments: Freshwater mud system to be used on surface hole. freshwater mud system will be used out from under surface casing to 6150' TD. Fluids in the lined reserve pit will be trucked to a permitted Class II Disposal. The reserve/cuttings pit will be allowed to dry and then mixed buried with cuttings and subsoil with at least 4' of cover. No concerns. Soils/Vegetation/Land Use (possible concerns) Steam crossings: No live water stream crossings. Crossing only ephemeral drainages. High erosion potential: No, cut, up to 27.2 and fill, up to 19.3' required. Loss of soil productivity: No, location will be restored after drilling, if nonproductive. If productive unused portion of drillsite will be reclaimed. Unusually large wellsite: No, a average location, 250X250' size required. Damage to improvements: Slight, surface use is grass and sagebrush grazing land. Conflict with existing land use/values: Slight Mitigation ___ Avoid improvements (topographic tolerance) Exception location requested X Stockpile topsoil Stream Crossing Permit (other agency review) X Reclaim unused part of wellsite if productive Special construction methods to enhance reclamation X Other: Requires DEQ General Permit for Storm Water Discharge Associated with Construction Activity, under ARM 17.30.1102(28). Comments: Access will be from existing county road, Musselshell Trail Road. About 2/3 mile of new road will be constructed into this locationl. Freshwater drill cuttings and mud solids will be buried in the lined reserve/cuttings pit. Lined pit will backfilled with 4' of cover when dry. Drilling fluids will be trucked to a Class II Disposal. No concerns. **Health Hazards/Noise** (possible concerns) Proximity to public facilities/residences: No residences within a 1 mile radius from this location. The town of Custer, Montana is about 17+ miles to the southeast from this location. Possibility of H2S: slight chance of H2S. Size of rig/length of drilling time: Triple derrick drilling rig, about 10 to 15 days drilling ti<u>me.</u>

Mitigation:

X Proper BOP equipment ___ Topographic sound barriers

__ H2S contingency and/or evacuation plan

Special equipment/procedures requirements

Other:

Comments: Operational BOP and adequate surface casing should mitigate any problems. (BOP's 3,000 psig annular, pipe and blind rams) rule 36.22.1014. No concerns.

Wildlife/recreation

(possible concerns)
Proximity to sensitive wildlife areas (DFWP identified): None identified.
Proximity to recreation sites: None identified.
Creation of new access to wildlife habitat: No
Conflict with game range/refuge management: No
Threatened or endangered Species: <u>Threatened or endangered species identified in</u>
this county are the Pallid Sturgeon, Interior Least Tern and the Black-Footed Ferret.
Candidate species are the Greater Sage-Grouse and Sprague's Pipit. NH tracker
website lists four (4) "Species of Concern" in T7N R32E. They are the Black-tailed
Prairie Dog, Greater Sage-Grouse, Loggerheaded Shrike and the Brewers Sparrow.
Mitigation:
Avoidance (topographic tolerance/exception)
Other agency review (DFWP, federal agencies, DSL)
Screening/fencing of pits, drillsite
Other:
Comments: Private surface grazing land. There maybe species of concern that
could be impacted by this wellsite. We ask the operator to consult with the surface
owner as to what he would like done, if a species of concern is discovered at this
location. The Board of Oil & Gas has no management authority over private surface
lands.
Historical/Cultural/Paleontological
(possible concerns)
Proximity to known sites None identified.
Mitigation
avoidance (topographic tolerance, location exception)
other agency review (SHPO, DSL, federal agencies)
Other:
Comments: Private surface grazing land. There could possible
historical/cultural/paleontological sites that maybe impacted by this wellsite. We ask the
operator to consult with the surface owner as to his desires to preserve these sites or
not, if they are found during construction of the wellsite. The Board of Oil & Gas has no
jurisdiction over private surface lands.
Social/Economic
(possible concerns)
Substantial effect on tax base
Create demand for new governmental services
Population increase or relocation
Comments: Well is a wildcat, unless/until production is established, no social or
economic impact is likely.
Remarks or Special Concerns for this site
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NATURE OFFICE OF THE PROPERTY

Well is a 6150' TD vertical Amsden Formation well test.

Summary: Evaluation of Impacts and Cumulative effects

No long term impacts expected. Some short term impacts will occur.
I conclude that the approval of the subject Notice of Intent to Drill (does/ <u>does not</u>) constitute a major action of state government significantly affecting the quality of the human environment, and (does/ <u>does not</u>) require the preparation of an environmental impact statement.
Prepared by (BOGC): /s/ Thomas Richmond (title:) Administrator Date: Aug. 20, 2013
Other Persons Contacted:
Montana Bureau of Mines and Geology GWIC website
(Name and Agency) Yellowstone County water wells
(subject discussed) August 20, 2013 (date)
US Fish and Wildlife, Region 6 website (Name and Agency) ENDANGERED, THREATENED, PROPOSED AND CANDIDATE SPECIES MONTANA COUNTIES, Yellowstone County (subject discussed)
August 20, 2013 (date)
Montana Natural Heritage Program Website (FWP) (Name and Agency) T7N R32E (subject discussed)
August 20, 2013 (date)
If location was inspected before permit approval: Inspection date: Inspector: Others present during inspection: